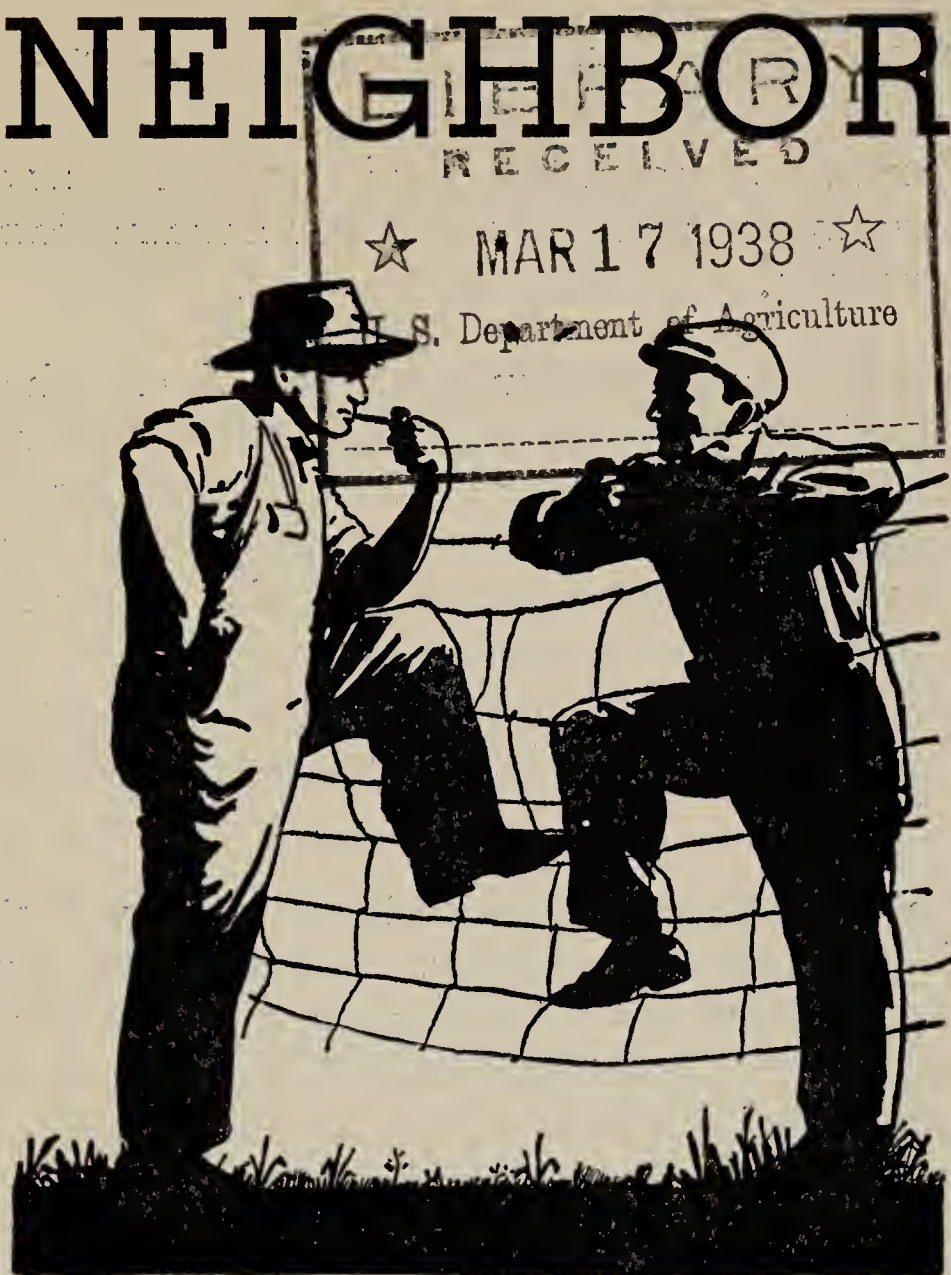


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GOOD NEIGHBOR



An Explanation
of the
COMMUNITY SERVICES
PROGRAM

UNITED STATES
DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
WASHINGTON, D. C.

Farmers in America have always believed in working together. Husking bees, barn raisings, quilting parties—these words call back our own story, our own farm life of an earlier day.

Modern farm machinery, new farming methods, have largely replaced the old. Modern transportation, processing, and marketing have greatly changed our methods of handling farm products.

These advantages often are beyond the reach of small farmers. It is as hard for a farmer, using hand tools and taking his own crops to market, to compete successfully with big producers as it would be for a shoemaker who makes his shoes by hand to compete with a modern factory turning out thousands of pairs. Through the fault of no individual, the struggle becomes unequal.

The small farmer in order to survive must join hands with his neighbor. A small farm cannot support the more modern and expensive equipment nor high-priced breeding stock. But a group of farmers, pooling their interests, can afford these improved services.

The Community and Cooperative Service Program of the Farm Security Administration is designed precisely to meet this need for Rural Rehabilitation borrowers and other low-income farmers. It is intended to help groups of small farmers finance the purchase of machinery, livestock, and equipment which none of them could afford alone.

Rehabilitation field representatives will study the needs of prospective borrowers with them. They will draw up definite cooperative service plans and help the borrowers enter into working agreements with their neighbors.

1. What Is a Community Service?

When two or more farmers agree to use the same service, equipment, or property, this is a Community Service.

A few examples: Lime grinders; spreaders; potato diggers; hay balers; ensilage cutting and silo filling services; hauling and trucking services; dusting and spraying rings; community canning services; certified seed improvement services; pure-bred sire services for livestock improvement; seed treating and cleaning service; traveling blacksmith and machinery-repair services; tractors and equipment services including plowing, harrowing, ditching, cultivating, harvesting; health services; veterinary services.

2. What Do Community Services Accomplish?

They supply a much-needed service or equipment too costly for one individual to obtain alone.

3. What Forms of Ownership of a Community Service Are Acceptable?

The Farm Security Administration can make loans for a Community Service that is owned and operated by an individual for the benefit of a group; jointly by several members of a group; or by the group as a whole (unincorporated association).

Whether the service is owned jointly or individually, all members of the group agree to use the service at a consideration which will help pay for it during the period of the loan. Farm Security Administration clients may obtain loans of this type, even though they have already secured a rehabilitation loan, if a Community Service seems desirable in their farm operations.

4. Who Can Be Helped by Community Service Loans?

The Farm Security Administration advances Community Service loans only to Rural Rehabilitation clients and other low-income farmers who cannot get credit from other lending agencies, public or private.

5. When Is the Loan Repaid?

The loan is repaid within a period ranging from 1 to 5 years, according to the amount of the loan, the type, and life of the service. Longer periods can be arranged if found advisable.

6. What Interest Is Paid?

Three percent is paid on all equipment and service loans established as a Community Service. Five percent is paid on loans used for purchase of supplies and materials which are consumed during the year's farming operations.

7. What Security Is Necessary?

Generally the Farm Security Administration takes mortgages on equipment and facilities, or an assignment of a portion of the fees collected on a service.

8. What Does the Farm Security Administration Require of a Community Service?

A community service must be economically sound. Provision must be made for it to be operated efficiently and to as near maximum capacity as possible. It must be expected to pay for itself over a reasonable period of time, through service fees or benefits to the users.

9. How Do You Apply for a Loan for a Community Service?

Apply to the Rural Rehabilitation Supervisor for your county. He will supply you with full information.

For further information write

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